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Human Resource Management Policies and Organizational Performance: Obstacles and Challenges in Jordanian Companies

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ABSTRACT

This study aims to illustrate the theoretical framework of human resources management policies for improving organizational performance. It outlines the main concept of human resources management policies that effects on organizational performance. It also focuses on the challenges that faced human resources in Jordanian companies. The scope of study discovers the importance of policies from the perspective of decision makers. It is worthwhile (important to notify that) most of Jordanian companies are very weak developing policies to achieve the organization goals. Despite the efforts to improve the policies in Jordanian companies, however, this companies failed to improve the organizational performance especially in last few years. The methodology in this study is phenomenological case study to discuss determinates of human resource management policies in Jordanian companies. The phenomenological study helps to understand the experience of human resource management in Jordanian companies. The findings from this study reveals that companies should focus on training and planning for human resources. Moreover, the findings show the importance of developing selection policies in Jordanian companies. This study identified determinates of human resource management policies to improve the organization performance. The researchers recommend that Jordanian companies should be more concerned with selection policies in order to improve organizational performance. Finally the researchers recommends for



the future, more research in the field of human resources. In addition, the findings of from this study able to use the framework of human resource management policies by researchers and other concerns in human resources management.

Keywords: Human Resources Management, Organizational Performance, Jordanian Companies



1. Introduction

The world of business has been changed since last few years into a complicated linked that lead to increase performance. Most of Jordanian companies are suffering from routine and bureaucracy. It led also to undeveloped human resource management policies. This study explains the problem in Jordanian companies and suggests solutions to bureaucratic constraints by improving the policies in this type of companies, as mentioned in Maslow's theory of human approach. Dessler (2013) reveals that organizational performance depends mainly on the policies of human resources implemented in each company to support it for to address these challenges. The practices of human resources attempts to develop values, mission and vision of the company for enhancing the organization performance (Abutayeh, 2012). The policies of human resource management practices attempts in using some new aspects to improve organizational performance. These new aspects lead also to improve the employers' skills. According to Dessler (2011) the terminology of human resource management policies is a process lead to improve organization performance for achieving the organization goals. Durai (2010) reveals that this process each the main objective of the human resource policies to exploit the difficulties that faced board directors to achieve the organization goals. Elarabi (2014) discover the desire of board directors of human resource to improve human resource policies by developing the policies that attracting new employees in the organization. Saeed (2013) explained that human resource management mainly contributes to enhance policies of each organization such as selection policies to achieve organization goals. Consequently, human resource management policies focus on administrative organization and abilities to attract new employees. It also helps the decision makers to face the challenges of any organization in the light of the resource available. Hong (2012) illustrates that human resource



management has different effective policies. These policies allow the development of the organization and change the system to decentralization to allow the employees to innovate according to the abilities of the organization. This policy help also the decision makers to deal with organization dilemma and perform their work in order to achieve organization goals.

2. Research Problem

In recent years, Jordanian companies faced a lot of challenges and obstacles. Most of Jordanian companies suffering from old policies in this companies. This policies inappropriate for achieving the organization goals. Moreover, this old policies does not lead to the improvement of the organization performance. Moreover, human resource management practices in Jordanian companies contradicting with the organization values. According to the circumstances of Jordanian companies, these companies attempt~~s~~ to improve the policies notwithstanding the financial problem of this companies (Al-Ghazawi, 2012). Altarawneh (2005) reveals that Jordanian companies have HRM departments, however it failed to enhance the policies for developing organization performance. This weakness policies of Jordanian companies did ~~to~~ not help to improve the mission of the companies. Consequently, the annual strategic management in these companies ineffective in improving their productivity. Abdel & Al-Mahayreh (2015) reveal~~s~~ that the policies of Jordanian companies not including the strategic planning for improving organization performance. Moreover, Hong (2012) illustrates that the policies of human resources for employees training programs are not clear especially the budget for this purpose. In addition, this companies policies not including the incentives system. Moreover, there is a concern in policies of giving up human capital return to reduce the annual financial budget for this companies. it leads to decrease the productivity of human resource in this companies (Bisharat, 2016). This



type of problem is mentioned in the annual report of ministry Jordanian Labour despite the supporting received from Jordanian government to achieve the organization goals for improving organization performance (Annual Report of Ministry of Labour, 2017).

3. Importance of the study

This study attempts to illustrate the aspects that lead to improve human resource management policies in Jordanian companies for improving its performance. In addition, it attempts also to enhance the theoretical framework of human resource management to understand the appropriate policies should use in this companies. It also discusses the terminologies of human resource management and policies leading to the improvement of the organization performance. Moreover, this study attempts to discover the effective aspect on the relationship of human resource management for improving organization performance. This framework ~~accept to~~ can be a good background for researchers in human resource field. This study allows to deeply understand the human resource management theory and its effects on the organization. Moreover, this study discusses the circumstances of each Jordanian company. This study allows to understand to direction of human resource management of most of Jordanian companies and discuss the solution of each company. The research framework considers a good solution for the problems in most of Jordanian companies. In addition, the framework also reliance on the organization performance theory and recent direction of human resource management theory. Moreover, it also suggests the solution of other Jordanian institutions to improve human resource management policies in the long term.



4. Research Methodology

This study adopts qualitative research approach, especially a phenomenology approach. This approach helps to understand and interpret the direct effect on human resource management policies. In addition, phenomenological case study is able to illustrate the possibilities of improving human resource management policies. Moreover, phenomenological case study allows interpreting experience of human resource management in Jordanian companies. This method allows understanding the possibilities and abilities of Jordanian companies for improving organizational performance. This Methodology contributes to provide the rational base of the dilemma of Jordanian organization performance. The phenomenological case study helps to understand the theoretical framework of study to interpret the challenges in the decision maker perspective.

Pernecky and Jamal (2010) reveals that phenomenological case study in human resource management is improving policies in Jordanian companies. Moreover, this method discovers the daily life of Jordanian companies allows to create justifications and solutions. Morrison & O'Gorman (2008) reveals that this type of analysis concern about the philosophical approaches and paradigms, research strategy and design, prudent selection of analysis and interpretation tools, and candid research evaluation. The focal point of this approach to discovers the main aspects that lead to improve the organization performance in Jordanian companies and illustrates how to deal with challenges and understand the problems in most of this type of companies. Creswell (2007) reveals that phenomenology study is a process lead to understand and interpret the phenomenon in the case study. In addition, phenomenological case study allows the use of definitions, theories

and applications for using descriptive phenomenology for enhancing the solutions. This method presents the design of this research to improve the organization performance.

Husserl (1970) reveals that there are three significant types of phenomenological research approach like realistic phenomenology, transcendental phenomenology and existential phenomenology. The first type explains the theoretical ideal goals. The second type illustrates the experiences and other related factors. The last type explains the experiences, attitudes, objectives, policies and obstacles. Consequently, this study has been used existential phenomenology to allow to understand the policies and obstacles of human resource and organization performance in Jordanian companies. This study using direct observation to understand the direct effect on human resource management policies and obstacles in Jordanian companies. The direct observation allow which policies are appropriate for Jordanian companies. In addition, direct observation allow also to understand the obstacles that effects on organization performance. On the other hand, the data collected from Jordanian companies. The data has been collected is policies has been used in Jordanian companies and understand its effects on organization performance.

5. Literature Review

In literature review, there are several studies of human resource management and its effects on organization performance. Armstrong (2014) reveals that human resource management is very essential of any organization. Hong (2012) reveals that developing strategies and policies for achieving organization performance. Boselie (2005) reveals also that human resource management may achieve organization performance by developing some essential policies such asselection and recruitment policies, training and development policies, performance appraisals policies, incentive policies, internal career paths, job security policies, benefits grievance policies, empowerment



policies, and information sharing policies. Yadav (2014) reveals that this policy reflects the possibilities to implement it in the organization for improving organization performance in the long term. Zureikat (2017) explores that there are four directions to improve organization performance. Shahraki (2011) explains that the directions of organization performance divided into financial performance, market performance, operational performance and employee's attitude. For financial performance policies is very considerable by decision makers (Boxall, 2007). It may focus on some essential policies such as assets, return on equity and revenue. Most of financial performance policies for both interest shareholders and stakeholders (Werner, 2009). Moreover, the market performance policies also focus on some aspects such as market share policies, and other policies to improve market value (Suifan, 2015). Tan (2011) reveals that the policies for improving operational performance focus on policies to solve customer complaints, policies of new product and quantity of products produced (Guest, 2011). On the other hand, several studies mentioned on the importance of the employees attitude to achieve the organization performance (Abutayeh, 2012). The employees' attitude divided into several aspects such as job satisfaction, motivation, commitment and organization behavior (Aggarwal, 2013).Consequently, both human resource management and organization performance reliance on developing policies that lead to achieve organization mission (Al-Sharjah, 2013).

6. Research Analysis

According to phenomenological case study in human resource policies in Jordanian companies. The phenomenon of most Jordanian companies faced a lot of problems related to not developing the policies in each company. Despite Jordanian companies have a lot expertise employees in several aspects, however it also still work under centralization (Al-Bahussin, 2013). Furthermore,



Jordanian companies suffered from old selection policies (Al-Daibat, 2012). These policies contribute with the training purpose. Moreover, these policies discovered the routine that Jordanian companies suffered for a long time. In addition, the incentive system in this companies also not clear (Al-Ghazawi, 2012). The incentive system also has been given to some employees without others, according to managers' satisfaction. In addition, the internal career paths in most of Jordanian companies' reliance complicated procedures. Moreover, the job security policies in most of Jordanian companies are not clear due to the highly demand in the labour Jordanian markets and lack of labour supply market. On the other hand, in Jordanian companies the grievance policies is not clear due to the centralization system (Al-Jarrah,, 2012). Moreover, this grievance policies have been used in Jordanian companies, and did not achieve the requested justice. In addition, information sharing policies is limited implementation between departments in the company. Empowerment policies approximately not used in almost of Jordanian companies due to centralization system. Notwithstanding this companies suffering to improve the financial performance (Bisharat, 2016). According to the literature review to improve the financial performance should using some policies lead to expand assets and improving the annual revenue. Consequently, the financial performance affected from this aspects mentioned before. Moreover, market performance also affected to obtain markets values. In addition, the operational performance policies also affected to achieve new product or determining the qualifying of new products (Boohene, 2011). The operational performance also affected due to continuing customer complaints in most of Jordanian companies. Moreover, job satisfaction in almost of Jordanian companies not achieved due to ignoring incentive system. Consequently, the employees attitude is not achieve their goals in Jordanian companies (Darwish, 2016).



Table1: **Research Protocol**

Statement	**Aim to**
Objectives	This study aim to understand the policies and obstacles of human resource on organization performance in Jordanian companies.
Background	There is significant factors and policies that determine the relationship between human resource management and organization performance.
Methods	The analysis through using phenomenology as a way of qualitative research approach by direct observation techniques.
Ethical Issues	To illustrate polices of human resource management and other obstacles in Jordanian companies.
Resources	The policies has been implemented in Jordanian companies

Figure No1: The theoretical Framework

7. Conclusion

In the end of this debate, there are a lot challenges and obstacles that faced human resource in Jordanian companies. The theoretical framework of human resource may include new policies to achieving organization performance. The next figure reveals the policies useful for Jordanian companies. Moreover, this framework focus on how to achieve financial, market and operational performance by implementing new policies such as selection and recruitment, training, incentives, internal career paths and job security. The next framework has an approximate policies for Jordanian companies. Most of this policies are very essential for Jordanian companies to help the decision makers to improve the organization goals. Moreover, it will support to amend the vision and mission in the long term. The main objective of financial performance is expanding revenues. The decision makers should identifying the importance policies according the circumstances of Jordanian companies. Moreover, the selection policies taking into consideration the education background, experience and expertise of the employees. On the other hand, the Jordanian companies must put the first priority customer compliant and achieving the organization goals. In addition, Jordanian companies should also reliance on incentive system to achieving the organization goals. Moreover, Jordanian companies should communicate between developing financial performance, market performance and operational performance in the light of human resource management policies that implemented. The decision maker in Jordanian companies must use decentralization and reducing the daily routines to let the policies work out.



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